

**BERKELEY CITY COUNCIL BUDGET & FINANCE COMMITTEE
REGULAR MEETING MINUTES**

**Thursday, November 10, 2022
10:00 AM**

Committee Members:

Mayor Jesse Arreguín, Councilmembers Kate Harrison and Lori Droste
Alternate: Councilmember Rashi Kesarwani

**PUBLIC ADVISORY: THIS MEETING WILL BE CONDUCTED EXCLUSIVELY THROUGH
VIDEOCONFERENCE AND TELECONFERENCE**

Pursuant to Government Code Section 54953(e) and the state declared emergency, this meeting of the City Council Budget & Finance Committee will be conducted exclusively through teleconference and Zoom videoconference. The COVID-19 state of emergency continues to directly impact the ability of the members to meet safely in person and presents imminent risks to the health of attendees. Therefore, no physical meeting location will be available.

To access the meeting remotely using the internet: Join from a PC, Mac, iPad, iPhone, or Android device: Use URL - <https://us02web.zoom.us/j/83501968735>. If you do not wish for your name to appear on the screen, then use the drop down menu and click on "rename" to rename yourself to be anonymous. To request to speak, use the "raise hand" icon on the screen.

To join by phone: Dial **1-669-900-9128 or 1-877-853-5257 (Toll Free)** and Enter Meeting ID: **835 0196 8735**. If you wish to comment during the public comment portion of the agenda, press *9 and wait to be recognized by the Chair.

Written communications submitted by mail or e-mail to the Budget & Finance Committee by 5:00 p.m. the Friday before the Committee meeting will be distributed to the members of the Committee in advance of the meeting and retained as part of the official record.

MINUTES

Roll Call: 10:19 a.m.

Present: Arreguín, Droste

Absent: Harrison

Public Comment on Non-Agenda Matters: 2 speakers.

Minutes for Approval

Draft minutes for the Committee's consideration and approval.

1. Minutes - October 13, 2022

Action: M/S/C (Droste/ Arreguín) to approve the October 13, 2022 minutes.

Vote: Ayes – Arreguín, Droste; Noes – None; Abstain – None; Absent – Harrison.

Committee Action Items

The public may comment on each item listed on the agenda for action as the item is taken up. The Chair will determine the number of persons interested in speaking on each item. Up to ten (10) speakers may speak for two minutes. If there are more than ten persons interested in speaking, the Chair may limit the public comment for all speakers to one minute per speaker.

Following review and discussion of the items listed below, the Committee may continue an item to a future committee meeting, or refer the item to the City Council.

2. Report on Berkeley's Financial Condition (FY 2012 – FY 2021): Pension Liabilities and Infrastructure Need Attention Audit

From: City Manager

Recommendation: Receive a status report.

Financial Implications: None

Contact: Sharon Friedrichsen, Budget Manager, (510) 981-7000

Action: 2 speakers. Report given and discussion held.

3. Report on Preliminary FY 2022 Year-End Financial Status

From: City Manager

Recommendation: Receive a report on the preliminary Fiscal Year 2022 Year-End financial status.

Financial Implications: None

Contact: Sharon Friedrichsen, Budget Manager, (510) 981-7000

Action: 3 speakers. Report given and discussion held.

Committee Action Items

4. FY 2023 Annual Appropriations Ordinance

From: City Manager

Recommendation: Receive a report on the recommended adjustments for inclusion in the first amendment to the FY 2023 Annual Appropriations Ordinance and provide direction to staff.

Financial Implications: None

Contact: Sharon Friedrichsen, Budget Manager, (510) 981-7000

Action: 3 speakers. Report given and discussion held.

5. Federal and State Legislative Update

From: City Manager

Recommendation: Receive a report on the calendar year 2022 summary of federal and state legislative activities; receive and discuss the City of Berkeley's draft 2023 state and federal legislative platform and provide direction to staff.

Financial Implications: None.

Contact: Dee Williams-Ridley, City Manager, (510) 981-7000

Action: 3 speakers. Report given and discussion held.

Unscheduled Items

These items are not scheduled for discussion or action at this meeting. The Committee may schedule these items to the Action Calendar of a future Committee meeting.

6. Investment Report Update - Investment Policies of Other Jurisdictions

From: City Manager

Contact: Henry Oyekanmi, Finance, (510) 981-7300

7. Additional Allocation of Measure P Funding to "Step Up Housing" Project

From: Councilmember Bartlett (Author), Councilmember Wengraf (Co-Sponsor), Councilmember Kesarwani (Co-Sponsor)

Referred: August 3, 2022

Due: February 13, 2023

Recommendation: Adopt a resolution allocating an additional \$114,660 per year for 10 years, from Measure P transfer tax receipts to support the increased costs for the lease and operation of a new permanent supportive housing project for the unhoused at the Step-Up Housing Project at 1367 University Avenue. In addition, refer to the next meeting of the Budget and Finance Policy Committee to confirm the availability of requested funding.

On August 3, 2022, the City Council adopted Resolution No. 70,491-N.S. as amended and referred to the Budget & Finance Committee to consider future General Fund needs for this project and confirm availability of funds for the operating budget.

Financial Implications: See report

Contact: Ben Bartlett, Councilmember, District 3, (510) 981-7130

8. Accept the Risk Analysis for Long-Term Debt (Bonding Capacity) Report provided by Government Finance Officers Association

From: City Manager

Referred: April 26, 2022

Due: January 30, 2023

Recommendation: Accept the report titled 'Risk-Based Analysis and Stress Test of Long-Term Debt Affordability' as provided by the Government Finance Officers Association (GFOA). This report is based on their research and development of a risk-modeling tool to address issuing long-term debt related to City of Berkeley Vision 2050.

On April 26, 2022, the City Council referred this item to the City Manager and Budget & Finance Committee to return to Council with recommendations or analysis on as many of the following items as possible by October 2022, if feasible. 1)

Consideration of reserves policies for operational funds other than the General Fund; 2) Potential reduction of the maximum indebtedness rate from 15% of assessed property value down to 4-8% range; 3) A new policy to not incur indebtedness when interest rates go above 5% or a different specific threshold; 4) Tools for increased transparency for taxpayers; 5) Updated report and discussion of pension and healthcare costs; 6) Refer the full Report to the Budget & Finance Committee for consideration.

Financial Implications: None

Contact: Henry Oyekanmi, Finance, (510) 981-7300

9. Presentation on Mental Health Transports and Update on the Implementation of the Specialized Care Unit and Community Crisis Response Services

From: City Manager

Contact: David Sprague, Fire, (510) 981-3473; Lisa Warhuus, Health, Housing, and Community Services, (510) 981-5400; Sharon Friedrichsen, Budget Manager, (510) 981-7000

Items for Future Agendas

- **Discussion of items to be added to future agendas**

Adjournment

Action: M/S/C (Arreguín/Droste) to adjourn the meeting.

Vote: Ayes – Arreguín, Droste; Noes – None; Abstain – None; Absent – Harrison.

Adjourned at 12:22 p.m.

I hereby certify that the foregoing is a true and correct record of the Budget & Finance Committee meeting held on November 10, 2022.

Sarah K. Bunting, Assistant City Clerk